

FBIS**DAILY REPORT
CONTENTS***China*

21 Jul 87

FBIS-CHI-87-139

i

INTERNATIONAL AFFAIRS

UNITED STATES & CANADA

Roundup Views Japanese Minister's Visit to U.S. B 1
Zhang Jingfu Hosts Visitors From United States B 2

SOVIET UNION

Soviet Legislative Delegation Visits Hangzhou C 1
[ZHEJIANG RIBAO 7 Jul]

NORTHEAST ASIA

Hu Qiaomu Article Views Anti-Japanese War D 1
[RENMIN RIBAO OVERSEAS EDITION 8 Jul]
RENMIN RIBAO Views Anti-PRC Moves in Japan D 9
DPRK Accuses U.S. of Truce Violation D 10

NEAR EAST & SOUTH ASIA

RENMIN RIBAO Roundup Assesses Ziaul Haq Government F 1
[14 Jul]

SUB-SAHARAN AFRICA

Delegation Meets With Nigerian Defense Official G 1

NATIONAL AFFAIRS

Beidaihe Conference To Discuss 13th Congress K 1
[Hong Kong TA KUNG PAO 21 Jul]
Middle-Aged Intellectuals Discuss Problems K 2
JINGJI RIBAO Discusses Political Reforms K 4
[Hong Kong TA KUNG PAO 10 Jul]
Hu Qiaomu Speaks at Philosophy Foundation Ceremony K 5
Yu Qiuli, Others at PLA Photo Exhibit Opening K 5
Newly Appointed Light Industry Minister Interviewed K 6
[Hong Kong ZHONGGUO XINWEN SHE]
Army Day Celebrations Planned for Around 1 Aug K 7
Commentator Urges Support of Central Budget K 8
[RENMIN RIBAO 17 Jul]
Summer Crop Harvest Down From Last Year K 10

ROUNDUP VIEWS JAPANESE MINISTER'S VISIT TO U.S.

OW190934 Beijing XINHUA in English 0609 GMT 19 Jul 87

["Round-up: Japan Has Yet To Soften U.S. Anger (by Zhao Zijian)" -- XINHUA headline]

[Text] Washington, July 18 -- Japan's minister of international trade and industry has concluded his recent trip to the United States taken to ease American anger over Toshiba's sale of sensitive technology to the Soviet Union.

Minister Hajime Tamura met with a wide range of U.S. officials during his visit. After talks with U.S. Secretary of State George Shultz, Pentagon officials, presidential National Security Adviser Frank Carlucci and the Treasury and Commerce officials, Tamura got a message that the Americans want the Toshiba Corporation harshly punished to prevent future offenses. If not, the U.S. Government may ban Toshiba sales in the U.S., as demanded by Congress.

Tamura's mission was supported by measures taken by Japan, such as promises that Toshiba would be punished and that Japan would contribute more to the Working Fund of the Coordinating Committee (COCOM) which controls exports of Western technology.

Toshiba, Japan's third largest electronic manufacturer, sold four milling machines to the Soviet Union which can be used to make better submarine propellers, making the submarines harder to detect.

The Pentagon estimated billions of dollars are needed to overcome the impact of the Toshiba sale.

Earlier this month, there was a show of anger outside the U.S. Capitol with American legislators smashing an old Toshiba radio with sledgehammers.

Then the Senate voted 92-5 to pass a bill banning all Toshiba sales to the U.S., which accounts for over 30 percent of Japan's exports, for two to five years.

The House of Representatives, which has four bills on the issue waiting, will take action later. There is talk to make Japan pay for the costs of the sale, estimated to be some 30 billion dollars.

This was the atmosphere Tamura encountered in Washington. He tried to outline the steps taken to address the matter when he met with Senator Jake Garn, sponsor of the Senate bill banning Toshiba sales, and House Representative Don Bonker, a key figure in preparing a House bill. But Tamura got a cool reception.

Previously, Japan did believe the sale would hurt U.S.-Japan relations. After the Senate vote, both the chairman and the president of Toshiba resigned. Japan's Foreign Ministry went out of its way to declare that the government would not protect Toshiba.

Japan's Prime Minister Yasuhiro Nakasone told parliament that Toshiba "has not only damaged national defense, but has also committed a crime of betrayal against the Japanese people."

The U.S. press described Japan's actions as "humble" and urged Japanese efforts to mend fences with the Americans. Japan's economy is at stake; over one third of its exports go to the U.S. market.

To a certain extent, this is true. U.S.-Japan relations have entered a new phase in which each side has to adapt its positions.

The U.S. has been trying to maintain a good relationship with Japan in order to have a strong ally in the Far East. But in recent years, the huge trade deficit with Japan has led to a series of government moves and congressional legislation against Japan, such as this year's tariffs on Japan's electronic sales to the U.S. after allegations that Japan dumped computer chips.

As the sentiment that Japan is not playing the trade game fairly persists, American anger over the Toshiba sale has made the difficult adjustment process even harder. In the foreseeable future, the U.S. may keep trying to see how far it can push Japan, while Japan is likely to do a balancing act to try and maintain its profitable relationship with the Americans.

ZHANG JINGFU HOSTS VISITORS FROM UNITED STATES

OW190722 Beijing XINHUA in English 0717 GMT 19 Jul 87

[Text] Beijing, July 19 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today a group of visiting American entrepreneurs, scholars and journalists led by Sam Ayoub, co-chairman of the Citadel Group Inc.

Zhang, who is also chairman of the China Association for International Exchange of Personnel, answered the visitors' questions about the current political and economic situation in China, and about ventures and the protection of patent right.

He assured the visitors that transferred foreign technology would be properly protected in China according to the patent law which has been promulgated by the National People's Congress, China's highest legislative body.

The American visitors arrived here yesterday.

SOVIET LEGISLATIVE DELEGATION VISITS HANGZHOU

OW170027 Hangzhou ZHEJIANG RIBAO in Chinese 7 Jul 87 p 3

[Text] At the invitation of the NPC Law Committee, a delegation of the Legislative Proposals Commissions of the Chambers of the USSR Supreme Soviet, headed by Georgiy Razumovskiy, chairman of the Legislative Proposals Commission of the Council of the Union of the USSR Supreme Soviet, arrived in Hangzhou at midday yesterday.

Last night, Wu Zhichuan, vice chairman of the Standing Committee of the provincial People's Congress, hosted a banquet in honor of the Soviet guests. There, both the host and the guests warmly praised the traditional friendship between the people of the two countries, and hoped that the friendly contacts would continue to expand. Vice Chairman Song Rufen and other members of the NPC Law Committee, who accompanied the delegation to Hangzhou, were also invited to the banquet.

Yesterday, the guests visited Dujin silk weaving factory and toured places of historic interest and scenic beauty around Xi Hu.

Vice Chairman Wu Zhichuan and responsible persons concerned, including Yang Bin and Zhao Jiafu, greeted the delegation at the airport on their arrival in Hangzhou.

HU QIAOMU ARTICLE VIEWS ANTI-JAPANESE WAR

HK101131 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Jul 87 p 4

[Article by Hu Qiaomu: "A Brief Talk on the Great Historical Significance of the 8-Year War of Resistance"]

[Text] On 7 July 1937, the invading Japanese Army attacked Chinese troops stationed in Lugouqiao. This event not only triggered the Chinese Army 8-year anti-Japanese and people's war, but also greatly speeded up the development of China's revolutionary history and changed the abnormal conditions in Sino-Japanese relations over the previous 100 years. After defeating the Japanese invaders, the Chinese people again rapidly won victory in the 3-year liberation war and founded the great PRC. Due to the long-term, painstaking efforts of the PRC Government, the Chinese and Japanese people and organizations who endeavored to develop friendship between the two nations, and Japanese statesmen of insight, and also due to changes in the international situation, on 29 September 1972, Japanese Prime Minister Kakuei Tanaka conformed to the historical trend of the times by visiting China and signing the Joint Statement of the Chinese and Japanese Governments with Premier Zhou Enlai. In 1978, the two countries concluded the Sino-Japanese Peace and Friendship Treaty. This brought about a new situation which was favorable to peace and Sino-Japanese friendship in international relations in the Far East. The Japanese imperialists who launched the war of aggression against China in those years could never have expected such results.

The Japanese imperialists for a long time cherished the wild ambition of first conquering China and then conquering the whole world. Japan's war of aggression against China, from 1894 to 1895, (which was also called the Jiawu War) led to the conclusion of the Maguan Treaty, signed with Japan by Li Hongzhang on behalf of the Qing government after China suffered a heavy defeat in the war. That was a treaty of national betrayal and humiliation, according to which Taiwan and some nearby islands were ceded to Japan; the Japanese were allowed to set up consulates and run factories in various Chinese ports and export machinery to China; and China could not arrest Chinese traitors who served the Japanese Army. Japan was not the first imperialist country to invade China. But we should particularly notice that Japan occupied our sacred territory -- Taiwan -- for as long as some half a century. After the end of World War II Taiwan was returned to the motherland, and when China and Japan established diplomatic relations, Japan also recognized that Taiwan is an inseparable part of the PRC. However, some people in Japan at present still spread the opinion that "the ownership of the island of Taiwan has not been finally determined," and try to create "one China, one Taiwan" or "two Chinas" in various forms.

After the Jiawu War between China and Japan, a pro-Japanese faction began to appear in the ruling class in China. This faction was eliminated once and for all when the PRC was founded.

After the 1911 Revolution, led by Dr. Sun Yat-sen, the leader of the democratic revolution, Yuan Shikai, a warlord of northern China who was pro-Japanese, grabbed the fruits of the revolution. Then another warlord from Anhui Province, Duan Qirui, who was even more pro-Japanese, took control of the Beijing government. During this period, the "May 4" patriotic student movement emerged in 1919 as the first page of China's new democratic revolution. [paragraph continues]

The movement broke out because the people opposed the decision made by the imperialist powers -- the United States, Britain, France, Italy, and Japan, -- at the Paris Peace Conference, to shift the German imperialists' privileges in Shandong Province to Japan, while the Duan Qirui government (in the name of President Xu Schichang) was prepared to sign the peace treaty at the peace conference. The students' anti-Japanese patriotic movement in Beijing then rapidly spread to all part of the country. (Footnote 1) (The decision on the Shandong issue in the Paris Peace Treaty was adopted according to the proposal put forward by the Japanese Government, which insisted on including it in the peace treaty. Since the purpose of the "May 4" Movement was to oppose the Paris Peace Treaty, it can certainly be regarded as an anti-Japanese patriotic movement. However, the Paris Peace Conference was jointly held by such super powers as the United States, Britain, and France (Japan in fact did not participate in the war, and its position was similar to that of the United States), and U.S. President Wilson put forward two amendments. First, he proposed that the German privileges be temporarily taken over by the peace conference, and then he proposed that the German privileges be put under the joint control of the United States, Britain, France, Italy, and Japan. So the nature of these arrangements was still imperialistic aggression, and the difference was just replacing one country's occupation with five countries' joint control. The position of the United States shattered the dream of many Chinese people who thought that the end of the war in Europe indicated that "justice would defeat power." Since the "May 4" Movement opposed the Paris Peace Treaty formulated by the Western powers, it can also be regarded as an anti-imperialist patriotic movement, although the slogan of anti-imperialism was not put forth at that time.) The student strikes rapidly extended to strikes by workers and shopkeepers. This forced the Beijing government to dismiss the most notorious pro-Japanese traitors, Cao Rulin, Lu Zongxing, and Zhang Zongxiang, from office on 10 June. But the struggle did not end, because the issue concerning the peace treaty had not been solved. The students, workers, and people in all walks of life in Shandong, Beijing, Shanghai, and other parts of the country continued their struggle and firmly demanded that the government refuse to sign the Paris Peace Treaty. Chinese workers in France (they were mainly sent to France as a step by China to participate in the European war), together with Chinese students and residents in France, surrounded the living quarters of the Chinese delegation, headed by Lu Zhengxiang, on 27 June, the day before the signing of the peace treaty, and issued a number of serious warnings. Lu Zhengxiang, the chief delegate, dared not sign the peace treaty and sent a secret telegram to the Beijing government: "Upon careful consideration, I could not but give up the plan to sign the treaty at that time." Thus, this nationwide mass revolutionary struggle against Japanese imperialism and other imperialist powers and against the warlord and traitor rulers in China, launched by the Chinese students, workers, and people in all walks of life (the first of this kind in modern Chinese history) won a great victory, which could be won under the current conditions, and scored greater achievements than the 1911 Revolution. The struggle dealt a heavy blow to the arrogant Japanese imperialists and the pro-Japanese traitors in China. Here, we are talking about the "May 4" Movement in detail because we want to show that the Chinese people's new democratic revolution began precisely with a national struggle against Japan's aggression. (This article will prove that the anti-Japanese war brought about the critical turning point in this revolution). One of the main achievements of the continuing development of the "May 4" Movement was the founding of the CPC, which later became the leader in the Chinese people's war against the Japanese invaders and the first round of cooperation between the CPC and the KMT [Kuomintang].

For a long period after its founding, the CPC carried out a great many struggles against Japan's aggression. [paragraph continues]

For example, the "May 30" Movement in 1925 resulted from the killing of Gu Zhenghong, a CPC member and a worker representative of a textile mill in Shanghai, by the Japanese capitalists, and this movement marked the beginning of the great revolution from 1925 to 1927.

Due to the betrayal by the KMT reactionaries midway through the revolution in 1927, Communists, KMT left-wingers, and a large number of workers and peasants became victims of the bloody white terror. The Communists had no other choice but to begin the agrarian revolution in the rural areas, build the people's revolutionary army, and fight the 10-year arduous civil war against the reactionaries.

During the 10 years of KMT counter-revolutionary rule and civil war, the Japanese invaders adopted various barbarous and vicious means to annex vast areas of Chinese territory and to trample on the Chinese nation. In 1931, Japan used armed force to occupy the three provinces in northeast China. Then, it continued to expand its influence to Nei Mongol and eastern Hebei Province, and occupied Shanghai for some time. The Japanese imperialists had formulated their plan to carry out aggression against China as early as in the same year Chiang Kai-shek betrayed the revolution. In July 1927, Japanese Prime Minister Giichi Tanaka said in an official report to the Japanese Emperor that "In order to conquer China, we must first conquer Manchuria and Mongolia; in order to conquer the world, we must first conquer China." In fact, Japan actually acted step by step according to this plan. Britain and the United States simply looked on unconcerned until Japan raided Pearl Harbor in December 1941. The Japanese imperialists indeed thought that they could go anywhere they wanted without meeting resistance in East Asia, and even dreamed that they could join forces with Hitler somewhere in Asia. However, Chiang Kai-shek still announced his policy of "no resistance" and "suppressing domestic riot before resisting foreign aggression," which also met the needs of the Japanese invaders.

After the "September 18" incident in 1931, the CPC gave full support to the partial anti-Japanese battles fought by the troops commanded by General Ma Zhanshan, General Cai Tingjie, General Feng Yuxiang, and General Fu Zuoyi, led the anti-Japanese guerrilla war for a long time in northeast China, dispatched a vanguard contingent of the Red Army for Jiangxi to north China to fight against the Japanese invaders, and led the main force of the Red Army on an expedition eastward to the anti-Japanese frontline. In the above-mentioned brave struggles, Ji Hongchang, Yang Jingyu, Fan Zhimin, Liu Zhidan, and many outstanding national heroes sacrificed their lives. However, there was no fundamental change in the situation in the civil war until 1936, the year before the outbreak of the nationwide general anti-Japanese war. First, the CPC central leading organs arrived in northern Shaanxi in October 1935, after commanding the Red Army in completing the 25,000-li Long March. The CPC successfully conducted a great deal of education on forming the national anti-Japanese united front and on joining forces to fight against the Japanese invaders by stopping the civil war for General Zhang Xueliang and General Yang Hucheng, as well as among the troops commanded by these two generals in Shaanxi, thus promoting the upsurge of the anti-Japanese national salvation movement among the people of all walks of life in Shaanxi. This special situation in Shaanxi became a key factor that influenced the development of the national situation. Second, on 9 December 1935, under the leadership of the underground CPC organization, the students in Beijing started a large-scale patriotic movement to demand a halt to the civil war, resistance against Japanese aggression, and the saving of the nation from extinction. This movement rapidly spread to all parts of the country and involved people of all walks of life, gathering momentum even greater than that of the "May 4" Movement in 1919. Many noted public figures, university professors, Overseas Chinese, and the KMT patriots represented by Song Qingling also took an active part in the movement, which had a strong impact on the situation in Shaanxi and in the whole country. [paragraph continues]

Third, Chiang Kai-shek came to Xian to force Generals Zhang and Yang to continue the war against the CPC, and flatly rejected the two generals' patriotic demand for a halt to the civil war and joint resistance against Japanese aggression. This made the situation very tense, and forced Zhang and Yang to take action to abduct Chiang Kai-shek (this being known as the "Xian Incident"). The CPC promptly sent a delegation to help Zhang and Yang and to persuade Chiang Kai-shek to change his position, and the CPC's efforts led to the peaceful settlement of this incident and laid the foundation for another round of cooperation between the two parties and for the preparation for the nationwide anti-Japanese war. It is highly regrettable that the two patriotic generals who made such outstanding contributions to the nation's unity in the war of resistance were not treated fairly, as Zhang Xueliang has been deprived of freedom until now and Yang Hucheng was arrested after he returned from abroad and was killed before the liberation of Chongqing in 1949,

That was how the anti-Japanese war began 50 years ago. Before the war broke out and from the beginning to the end of the war, the CPC always held the political initiative. We fully affirmed the meritorious services of all patriotic officers and soldiers of the KMT government army, especially those who sacrificed their lives in the war. However, Chiang Kai-shek's government pursued an erroneous policy of partial resistance (which meant that only the army, rather than all the people, should be involved in the war of resistance) from the early stages of the war of resistance, and in 1939 began to pursue a reactionary policy of fighting passively against the Japanese Army but fighting actively against the Communists and suppressing the people. As a result, most of its troops lost their combat effectiveness. In 1944, the year before Japan's surrender, the invading Japanese troops could still launch a large-scale offensive in Henan and occupy parts of Guangxi and Guizhou in a short time, thus shocking the wartime capital of Chongqing. On the other hand, the bureaucratic capitalists, represented by the four major families of Chiang, Soong, Kong, and Chen, took advantage of war of resistance to line their own pockets. The serious corruption of the KMT reactionaries evoked great indignation among the democratic parties and patriotic people. Even American General Stilwell, commander of the allied armies in China, India, and Burma and also chief of staff for Chiang Kai-shek, also proposed that the U.S. Government reduce assistance to Chiang Kai-shek (this assistance was later used by Chiang to prepare for a new civil war rather than being used for resisting Japanese aggression) and increase assistance to the CPC. In the winter of 1943, General Zhang Zhizhong, a famous general who was trusted by Chiang at that time, gave this direct advice to Chiang: "The most worrying things at present are people's desire for some changes and the loss of the Army's morale." "The criticism from some friendly nations, even that from the most friendly ally, America, have reached an unbearable level." ("The Reminiscences of Zhang Zhizhong," pp 394-395, 1985 version, published by the Publishing House of Historical Materials. This is a good book worthy of being read.) This showed that the KMT was facing a serious crisis and that its reputation had become very bad, and this was a fact generally recognized by people in China and other countries.

On the other hand, the CPC head by Chairman Mao Zedong, persisted in resistance against Japan and opposed surrender, persisted in unity and opposed division, and persisted in progress and opposed retrogression. Moreover, the party and the government and the Army and people united as one, struggled hard, and shared a common destiny. The anti-Japanese Army and people had both wisdom and courage, and became stronger and stronger in the war. Today, when recalling those years of the earthshaking life of fighting, just like a raging fire, everyone will have a sense of self-pride; everyone will exert himself to restore and develop the fine style during the anti-Japanese war, revolutionary martyrs who stepped into the breach one after another, and take them as life-long examples. [paragraph continues]

In sum, the people's anti-Japanese forces, led by the CPC, enjoyed higher and higher prestige and became stronger and stronger during the 8 years of the anti-Japanese war. By 1943, the Eighth Route Army, the New Fourth Army, and other people's anti-Japanese armed forces led by the CPC were resisting 64 percent of the Japanese Army invading China and 95 percent of the puppet troops. By April 1945, the number of CPC members had increased to more than 1.2 million from tens of thousand before the anti-Japanese war; the revolutionary army led by the party (not including the vast numbers of people's militia) had developed to some 910,000 from tens of thousands; and the population of liberated areas under the party's leadership had increased to some 95.5 million. The people's revolutionary force, led by the Communist Party, was small in quantity compared to the KMT force, but they were totally different in quality. One was rising with each passing day, the other was on the verge of collapse. Consequently, after 8 years of the anti-Japanese war, the CPC actually had a latent edge over the KMT.

After the end of the anti-Japanese war, Chiang Kai-shek clung obstinately to his course and launched a general civil war in June 1946. He believed that as the KMT government army had conserved its strength and stored up its energy for a long time in the rear and was well-equipped, and as the U.S. Government continued to assist him militarily, financially, and economically, he could thoroughly wipe out the "communist bandits" in a short time. However, history mocked him. Not only did Chiang Kai-shek fail to achieve his schedule, which he delayed again and again, but he saw with his own eyes, 3 years later, how the PLA crossed the Chang Jiang and swiftly liberated the Chinese mainland, and he himself had to flee to Taiwan. "Were nature sentient, she too would pass from youth to age, but man's world is mutable; seas become mulberry fields." The collapse of the Chiang Kai-shek kingdom in China reflected the fair judgment passed by history. Things will develop in the opposite direction when they become extreme. In fact, the comparative political and military strengths of the CPC and the KMT had made full preparation for the great victory of the people's liberation war. However, Chiang Kai-shek, who knew nothing about dialectical materialism, could never understand all this.

The victory of the anti-Japanese war and liberation war waged by the Chinese people reveals a truth: In China, whichever political party can unite over 95 percent of patriotic people in the country to solve the problem of national independence based on the alliance of workers and peasants (as Japan, which is close to China, invaded China for a long period and occupied a vast areas of Chinese territory, all nationalities in China were on the verge of destruction. So the problem of China's national independence was first of all and naturally the problem of resisting Japanese aggression) And can solve the land problem for the peasants, who account for more than 80 percent of China's population, can certainly lead China and turn the motherland into a rich, powerful, civilized, and democratic country. On these two issues, the KMT failed and the CPC succeeded. So the Chinese people had no other alternative.

Some people ask: Hasn't the KMT ruling clique done pretty well in Taiwan's economic development? True, it has not done badly, but under totally different historical conditions. The KMT ruled China for 22 years. At that time, people lived under various kinds of suppression by bureaucratic capitalism and in destitution. Under such circumstances, how could they develop economic construction? Comrade Mao Zedong once cited an example to explain this: "It is understandable that others looked down on us in the past, because we made no contribution. China could turn out only tens of thousands of tons of steel in a year, and the steel was in the hands of the Japanese. The KMT and Chiang Kai-shek ruled China for 22 years, but could turn out only tens of thousands of tons of steel in a year." Why did the KMT, which is now ruling Taiwan, achieve nothing on the Chinese mainland during its 22-year rule? [paragraph continues]

Was it due to the Communist Party "making trouble" in the 22 years? No, the KMT ruled the majority of Chinese territory with the sword for a long time. Taiwan did not become a province of China until 1946. We recognize its economic development and also realize that this development was essentially linked to vigorous support given by the United States and Japan. Would the United States and Japan treat socialist New China in the same way? Let us set aside their numerous blockades of China for decades. After establishing diplomatic relations with China in the 1970's, mutual economic and cultural contacts have increased greatly and the Chinese Government is determined to make efforts to expand economic and cultural contacts with them on the basis of equality and mutual benefit. But no miracle has ever appeared or will appear under the sun. All this is obvious to all.

Let us return to the original topic. Just as we have said, the 8-year anti-Japanese war was indeed of great and course-reversing significance to the development of the history of the Chinese revolution. Another great significance of the 8-year anti-Japanese war was that it radically changed the international political situation in the Far East. Before the end of its 8-year aggression against China, Japanese imperialism was at the end of its tether and had enemies on every side. In August 1945, the Soviet Army wiped out Japan's Kanto Army and entered Korea.

The U.S. Army achieved one victory after another in the Pacific War and dropped two atom bombs in succession on Japan's Hiroshima and Nagasaki on 6 and 8 August. (It is known to all that we have always been opposed to this method of warfare.) The Chinese people's anti-Japanese troops also launched general counterattacks on Japanese troops stationed in all large and medium-sized cities. Japan declared unconditional surrender on 15 August and officially signed the surrender document on 2 September. The Japanese Parliament adopted a "constitution of peace," in which Article 9 explicitly stipulates: "As a means for settling international disputes, Japan gives up forever the right to launch a war as a sovereign country and the right to use armed force as a threat," and "Japan does not recognize the state's right to declare war." From January 1946 to November 1948, the Far East International Military Tribunal, consisting of representatives from 11 countries including China, the Soviet Union, the United States, and Britain, tried Japan's principal war criminals and sentenced seven, namely Gideki Tojo, Kenji Dohihara, Koki Hiroda, Seishiro Itagaki, Hyotaro Kimura, Iwane Matsui, and Akira Takeu, to death by hanging. Less than 1 year after that, the PRC was founded. Old China, which had all along been described as the sick man of East Asia, was gone forever. Old situations in the Far East and the world were also gone forever. This also proves that those who ignore the fact that things will develop in the opposite direction when they become extreme will inevitably be punished by the truth.

Events that happened in Japan both before and after Japan's surrender are things of the past and we are unwilling to mention them again. However, there is now indeed a handful of people in Japan who are pretending to forget or are attempting to change these historical facts that should not be forgotten and which cannot be changed. Some people sing the praises of the war of aggression and the war criminals who launched it, and others are preparing public opinion for the negation of the Tokyo trial. All these moves have naturally disturbed peace-loving people and the broad masses in Japan, as well as caused worries in China and other Asian countries and regions which were once invaded by Japan.

China suffered most from Japanese aggression. During the 8 years of the anti-Japanese war, nearly 10 million soldiers and civilians were killed and more than 11 million were injured (in the Nanjing massacre alone, which shocked the world, more than 300,000 people were killed). And the losses and damage to property amounted to some \$60 billion. [paragraph continues]

However, socialist New China has always held that China and Japan are close neighbors separated only by a strip of water. They had a friendly history of some 1,000 years and their unfriendly relations lasted less than 100 years. Moreover, the War of Aggression Against China was launched by Japanese imperialists, and Japanese people were also victims of the war. Therefore, since the establishment of the PRC, China has all along been making efforts to remove obstacles set up by the Japanese Government and to develop friendly ties between the Chinese and Japanese peoples and contacts in the economic (mainly medium-sized and small enterprises), cultural, scientific, religious, workers' movement, and agricultural fields. As early as in 1952, China received three Japanese members of Parliament, namely Kazue Hoashi, Atsushi Kora (female), and Yoshisike Miyakoshi, and signed nongovernmental trade contracts. Since 1953, China has helped nearly 40,000 Overseas Japanese to return home and some nongovernmental organizations in Japan have also sent back to China the remains of some 3,000 Chinese martyrs who died in Japan. More than 1,000 Japanese war criminals, who were released by the Wushun War Criminals Management Center before their sentences expired, were also sent back to Japan without a hitch. After returning to Japan, many Japanese officers and soldiers who participated in the War of Aggression Against China became activists propagating "no more war between Japan and China" and advocating friendship between the Japanese and Chinese peoples.

However, the development of friendly relations between the Chinese and Japanese peoples was again and again obstructed and disturbed by the Japanese ruling group, which was hostile to China. In 1958, Premier Zhou Enlai put forward the famous "three political principles," which required of the Japanese Government that 1) it not pursue a policy of hostility toward China; 2) it not create "two Chinas"; and 3) it not obstruct the normalization of relations between the two countries. Japan's Ikeda cabinet, which was formed in the autumn of 1960, began to change the attitude, and the friendly activities carried out by Kenzo Matsumura, a veteran statesman of the Liberal Democratic Party of Japan, and other Japanese statesmen and businessmen reached a new stage in 1964. The two sides concluded an agreement on the setting up of permanent liaison offices by the Liao Chengzhi office and the Tatsunosuke Takasaki office in each other's capitals and an agreement on exchanging resident correspondents. On 29 September 1972, the Chinese and Japanese Governments signed the Sino-Japanese Joint Statement, which announced that "the Japanese side deeply feels that Japan bears responsibility for the serious losses caused to the Chinese people due to the war in the past, and expresses its profound self-reproach." The Japanese side also reiterated that it would seek the normalization of Sino-Japanese diplomatic relations on the basis of fully understanding the PRC Government's "three principles for the restoration of diplomatic relations" (that is, the PRC Government is the sole legal Government of China; Taiwan is an inseparable part of Chinese territory; and the Japan-Taiwan treaty is illegal and invalid and must be abrogated). The joint statement stipulated: "The Government of Japan recognized that the PRC Government is the sole legal Government of China.: "The PRC Government reiterated: Taiwan is an inseparable part of the territory of the PRC. The Japanese Government fully understands and respects this position of the Chinese Government and will constantly observe the position as prescribed in Article 8 of the Potsdam Proclamation." (Footnote 2) (Article 8 of the Potsdam Proclamation stipulates: "Japanese sovereignty will be strictly limited to Honshu, Hokkaido, Kyushu, Shikoku, and other small islands determined by the signatories to this document.") Before that, Chairman Mao Zedong met with Prime Minister Kakuei Tanaka, and both sides held serious and friendly talks. Then, China and Japan established diplomatic relations on an equal footing. This terminated China's painful and protracted history of suffering from Japanese aggression, and bilateral relations between the two countries were shifted to an unprecedented new orbit. Chairman Mao, Premier Zhou, and Japanese statesmen of foresight made valuable contribution to this development of behalf of the people of the two countries. [paragraph continues]

The Chinese people will always remember all organizations and individuals that have made painstaking contributions to Sino-Japanese friendship and to the normalization of the two countries' diplomatic relations.

Since the establishment of Sino-Japanese diplomatic relations, Sino-Japanese friendly relations have made new developments. In August 1978, the two countries concluded the peace and friendship treaty. The treaty reaffirmed that the Sino-Japanese Joint Statement is "the foundation for peaceful and friendly relations between the two countries, and all principles specified in the joint statement must be strictly observed." The treaty also set out important stipulations on the principles which will guide the development of bilateral relations in the future. These principles include the points that "both signatories to the treaty will continue to make efforts to further develop the intercourse between the two peoples in a good-neighborly and friendly spirit according to the principles of equality, mutual benefit, and noninterference in each other's internal affairs" and that "neither of the countries should seek hegemony in the Asia-Pacific region or any other region and both countries will oppose the efforts of any other country or group of countries to seek such hegemony." In October 1978, Vice Premier Deng Xiaoping went to Japan on behalf of the Chinese Government to exchange the instruments of ratification for this treaty and at the same time to make a friendly visit to Japan. In 1982 and 1983, China and Japan established the four principles governing Sino-Japanese relations, namely peace and friendship, equality and mutual benefit, mutual trust, and lasting stability.

As the saying goes, the realization of something good is usually preceded by rough progress. The development of Sino-Japanese friendly relations has not always been smooth sailing. In recent years, a number of controversial events have occurred.

In 1982, there was the history textbook incident, in which the compiler of a textbook tried to deny the historical fact of Japan's aggression against China; in 1985, the Japanese prime minister and other cabinet members officially attended a memorial ceremony held at the Yasukuni Shrine to commemorate war criminals; and recently, an outstanding event is the Kokuryo [Guanghua] case, in which a Japanese court ruled that this state property of China belongs to Taiwan. These incidents are obviously unfavorable to the friendship between the Chinese and Japanese peoples generation after generation.

What do the above-mentioned incidents show? They just show that so far the Japanese authorities still just pay lip service to, but have not yet taken concrete action to seriously implement, the principles prescribed by the Sino-Japanese Joint Statement and the Sino-Japanese Peace and Friendship Treaty on a series of major issues. At the same time, such events as Japan's defense expenditure breaking through the ceiling of being equivalent to less than 1 percent of the country's gross national product have also caused concern and worries among nearby Asian countries. People have noticed that social forces in Japan are always trying to draw back the friendly relationship between China and Japan, which did not come easily, and are trying by every possible means to deny the historical fact that Japan did launch a war of aggression against China and even trying to completely reverse the iron-clad verdict of history. This tendency that goes against the historical trend of the times has prompted both Chinese and Japanese people to enhance their vigilance. The Japanese statesmen and businessmen of insight are not content with the current conditions in relations between China and Japan. They have called for "returning to the principles and the spirit of the Japanese-Chinese Joint Statement and the Japanese-Chinese Peace and Friendship Treaty in a serious manner." They also hold that as the Osaka Higher Court recognized the Taiwan authorities' ownership and management rights over Kokuryo, this means that "it recognizes another China or an independent Taiwan." [paragraph continues]

"It is completely harmful and not at all beneficial to distort history, because this will fundamentally harm friendly relations between Japan and China, and will also injure the pride of the Japanese people." We deeply believe that in the two countries' relations, in the long run, reason and sensibility will always have the upper hand.

Today, when we commemorate the 50th anniversary of Japan's general War of Aggression Against China, we ardently hope that all Chinese soldiers and people, especially young people, will seriously review this section of revolutionary history which is full of tears and blood that lasted over a half a century, will pay close attention to the occurrences in Sino-Japanese relations, and will make joint efforts with the majority of the Japanese people to advance friendly relations between the two countries on the basis of the Sino-Japanese Joint Statement and the Sino-Japanese Peace and Friendship Treaty and to ensure the sustained and steady development of such relations. Comrade Deng Xiaoping recently said: "China will not change her policy of maintaining friendship with Japan generation after generation, but unpleasant things should be handled properly." "To be frank, China has no responsibility for the problems in Sino-Japanese relations in history. China places emphasis on future development, and does not want to see the appearance of any new problems. None of the problems were caused by China.: He is completely correct in making these remarks, which represent the voice of the 1 billion Chinese people! The Chinese Government and the soldiers and civilians throughout the country deeply cherish Sino-Japanese friendship, and ardently hope that such friendship will develop continuously in the future. To realize this, no new problems should be created. As for the problems which remain unsolved now, it is necessary to settle them properly as soon as possible according to the principles of the Sino-Japanese Statement and the Sino-Japanese Peace and Friendship Treaty. Only by continuously removing the obstacles in the way ahead can we ensure the healthy and smooth development of good-neighborly and friendly relations between China and Japan and bring happiness to the two peoples. As Confucius said: "Today, when we observe other people, we should not only listen to what they say but should also see what they do." We will see what actions the Japanese Government will take in the future.

RENMIN RIBAO VIEWS ANTI-PRC MOVES IN JAPAN

OW200038 Beijing in Japanese to Japan 0930 GMT 18 Jul 87

[Text] The 18 July issue of RENMIN RIBAO carries on page 6 reporter (Zhao You's) commentary entitled, "Moves To Be Watched," which warns against a series of recent anti-Chinese moves in Japan.

The reporter cites a series of events, including the following incidents: On the eve of the July 7 anniversary of the Marco Polo Bridge Incident, a memorial erected to the memory of Premier Zhou on Mt Arashi in Kyoto was vandalized by rightist elements; in mid-July, a stone monument built in Nagoya City to symbolize Japan-China friendship was wrecked by the hand of what is called the Corps for the Spirits of the Dead of the Kanto Imperial Army; and on the July 7 anniversary a handful of rightist elements shouted anti-Chinese slogans and defaced China's national flag at the entrance to the Chinese Embassy in Japan.

The reporter then pointed out: These incidents took place in succession. This shows that the phantom of militarism is still wandering in today's Japan, and a handful of bigoted, frenzied elements are trying to realize their dream of aggression against China once again. This development should never be overlooked.

Concluding the commentary, the reporter said: Such activities detrimental to Japanese-Chinese relations are carried out by only a small number of people; however, they represent a dangerous movement. If they are not immediately exposed and checked, and if they are allowed to continue to grow, they will unavoidably affect the overall friendly relations between China and Japan. The people of China naturally hope that the Japanese authorities concerned will quickly take action to conduct serious investigations and prevent similar incidents from occurring again.

DPRK ACCUSES U.S. OF TRUCE VIOLATION

OW160648 Beijing XINHUA In English 0641 GMT 16 Jul 87

[Text] Pyongyang, July 15 (XINHUA) -- The Democratic People's Republic of Korea today charged the United States with violating the 1953 armistice agreement at a security officers meeting of the Military Armistice Commission, the Korean Central News Agency (KCNA) reported.

Security officer for the Korean side, Senior Colonel Kim Nyon-ki, said that since the beginning of this year, the United States has repeatedly violated the truce pact at the demilitarized zone, which divides Korea into two parts, according to KCNA.

Kim said that the violations include intrusions into the demilitarized zone by U.S. helicopters on June 26 and 27.

The American side agreed to investigate the violations, according to KCNA.

RENMIN RIBAO ROUNDUP ASSESSES ZIAUL HAQ GOVERNMENT

HK201143 Beijing RENMIN RIBAO in Chinese 14 Jul 87 p 6

["Roundup" by RENMIN RIBAO reporter Shi Zongxing (4258 1350 2502) and XINHUA reporter Li Jiasheng (2621 1367 5116): "Ziaul Haq in Power for 10 Years"]

[Text] An overall observation of the history of Pakistan over the past 40 years since its independence indicates that the last decade is a period of stable development and great successes. Under President Ziaul Haq's leadership, a stable domestic political situation has been maintained in the country, industry and agriculture have been developing fairly quickly, and the country's international prestige has also been raised substantially. There have been great changes in all fields in Pakistan.

In July 1977, in the face of serious social turbulence, a deteriorating economy, and instability in the people's livelihood, General Ziaul Haq, who was then Army chief of staff, took over state power and announced the implementation of martial law. Due to these special measures, turmoil was ended and the situation gradually returned to normal.

Martial law lasted 8 years. During this period, Ziaul Haq pushed ahead the democratization process step by step and in a planned way. Local elections were held first to reestablish local institutions to play their due roles in production, cultural and educational undertakings, and social welfare. Then a federal committee was set up as a consultative body to act temporarily as a public opinion pooling organization as the congress had been dismissed. In late 1984, Ziaul Haq was elected through universal suffrage to assume the presidency for a 5-year term. In early 1985, a general election was held on a nonpartisan basis to establish a new national assembly, and a civilian government headed by Prime Minister Junejo was set up. On 30 December of the same year, Ziaul Haq announced the lifting of martial law. Hence, Pakistan entered a new historical period of democratic government. In the past 2 years, President Ziaul Haq and Prime Minister Junejo have closely cooperated with each other, and the newly-born domestic political structure has been further consolidated.

While furthering the democratization process, Ziaul Haq has set to introducing an economic reform. Two principal measures have been adopted: First, the gradual introduction of a denationalization policy. More than 2,000 enterprises that had been nationalized were first returned to their original owners; then some state-owned enterprises that had been poorly operated and had suffered very low productivity were handed over to private companies. The government has also made an ordinance that no private enterprises shall be arbitrarily nationalized in the future, that private investment shall be encouraged and limitations on the amount of private investment and on the fields for investment shall be lifted gradually, and that great efforts shall be made to draw in foreign funds, import foreign advanced technology, and encourage establishment of joint ventures. Second, great efforts have been made to develop agriculture. The government has tried to give full play to the peasants' initiative in production by granting them loans on favorable terms, by supplying them with chemical fertilizer, fine seeds, and agricultural machinery, and by raising the prices of agricultural products. The government has also built many water conservation facilities, strengthened agricultural scientific research, and provided prompt scientific service to the peasants. [paragraph continues]

This new economic policy has been proven effective. It has imbued the national economy with vigor and made it develop continuously and steadily. In the past 10 years, Pakistan's gross domestic output value grew at an average annual rate of more than 6 percent. The country is now more than self-sufficient in grain, its annual per-capita income has increased to \$390, topping other countries in South Asia, and the market is brisk, commodities are in ample supply, and commodity prices have remained relatively stable. To be sure, today's Pakistan still cannot be counted as a very rich country, but it no longer has to worry about the supply of food and clothing.

In the international arena, Ziaul Haq has pursued a peaceful foreign policy of independence and nonalignment which has enabled Pakistan to make unprecedentedly active and fruitful diplomatic efforts. Nowadays, the country is playing a more and more important role on the rostrums of the Islamic world, the Nonaligned Movement, and the United Nations. The Soviet Union occupied Afghanistan by force during the 3d year after Ziaul Haq's rise to power. This has not only constituted a direct threat to Pakistan's national security but also caused a great influx of Afghan refugees into the country. In face of the heavy pressure and threats from the Soviet Union and the Kabul regime, Pakistan has always adhered to its principles, held to justice, and persistently sought a fair and reasonable political resolution to the Afghan issue in accordance with the relevant resolution adopted by the UN General Assembly. Thus, it has won extensive support in the world. Despite its limited financial resources, Pakistan has done its best to accommodate more than 3 million Afghan refugees who are staying in the country in exile, providing them with lodging, food, and the most basic means of subsistence. Every foreign visitor to Afghan refugee camps is deeply convinced that the Pakistani Government and people have indeed fulfilled their humanitarian obligation in accommodating Afghan refugees.

With a view to safeguarding peace and stability in South Asia, the Pakistani Government has taken the initiative in enhancing mutual understanding, unity, and cooperation between the countries in the region. Pakistan favors a settlement of divergent views and disputes through consultations. In order to reduce the intermittent tension between Pakistan and India, Ziaul Haq took the initiative in paying three visits to India in 10 years. In so doing, he has exhibited a statesman's breadth of vision which is highly appreciated by the public.

During the 10 years of Ziaul Haq's administration, the friendship between China and Pakistan has been upgraded to a new standard. The Pakistani Government has taken the development of friendship and cooperation with China as a fundamental part of its foreign policy.

Ten years are but a short interval in the long process of history. However, the encouraging changes that have taken place in Pakistan have unfolded brilliant prospects for the country.

DELEGATION MEETS WITH NIGERIAN DEFENSE OFFICIAL

OW210106 Beijing XINHUA in English 0018 GMT 21 Jul 87

[Text] Lagos, July 20 (XINHUA) -- Nigerian and Chinese senior officers expressed today their desire to develop military cooperation between the two countries.

Receiving a delegation of the Commission of Science, Technology and Industry for National Defense of China here today, Permanent Secretary of the Nigerian Ministry of Defence Alfa Wali said: "There aren't any ideological obstacles on the way to develop military cooperation" between the Armed Forces of Nigeria and China.

He said that Nigeria intends to have military cooperation with all countries in the world, whether they are socialist or capitalist.

Since China has already carried out the open-door policy, he noted, there is bright prospect for military cooperation between the two sides in industry, technology and science despite the far distance between the two countries.

In response, head of the Chinese delegation General Xie Guang said that his delegation's visit to Nigeria is aimed at promoting understanding and friendship between the armed forces of the two countries. He expressed the hope that the military cooperation between the two sides in industry, technology and science be strengthened.

The seven-member Chinese National Defence delegation also met other high-ranking officers of the 140,000-strong Nigerian Armed Forces today.

BEIDAIHE CONFERENCE TO DISCUSS 13TH CONGRESS

HK210330 Hong Kong TA KUNG PAO in Chinese 21 Jul 87 p 2

["Special Feature" by correspondent Kung Shuang-yin (7255 7175 0603): "The Beidaihe Conference Draws Attention"]

[Text] Beijing, 21 Jul -- With the arrival of summer vacation time, important CPC personages will gradually reduce their activities in foreign affairs. They will move to Beidaihe to work in the "Summer Palace." Beidaihe will again draw the attention of the world because, at almost every summer vacation time, the CPC holds an important meeting at Beidaihe to make important decisions on, or make arrangements for, party and state affairs.

What draws people's attention is how the Beidaihe conference will make arrangements for the 13th CPC National Congress.

Continuously Deepen the Reform and Open Wider to the Outside World [subhead]

When meeting foreign political figures recently, Deng Xiaoping and Zhao Ziyang repeatedly stressed: In political and economic fields, the 13th CPC National Congress will chiefly reaffirm the line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, particularly the policy of reform, opening up, and invigorating the economy. In a word, the line of the 3d Plenary Session of the 11th CPC Central Committee will remain unchanged and China will continuously deepen the reform and open wider to the outside world.

Since antiliberalization was put forward last January, people have been worried about whether the CPC will change its policies. There are indeed a handful of people trying to shake the line and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, and to break the restrictions by extending the struggle against bourgeois liberalization to the economic field. Some people advocated "setting things right for the second time" and put forward the "theory" of "taking upholding the four cardinal principles as the key link." However, as soon as the erroneous words and deeds emerged, they were immediately seen through and rectified by Deng Xiaoping and Zhao Ziyang. Deng repeatedly pointed out that the main danger at present still comes from the "left" and that it is necessary to continuously oppose "leftism" and ossification, opposing "leftism" or rightism as it appears. As instructed by Deng Xiaoping, Zhao Ziyang delivered a speech on 15 May and stabilized the overall situation. On 9 July the full text of the speech was released, showing once again the determination of the CPC to carry out the reform.

The Question of Political Reform [subhead]

Another point that draws people's attention to the Beidaihe conference is the question of political reform. Deng Xiaoping and Zhao Ziyang pointed out on numerous occasions that, with the deepening of economic structure reform, the political structure will not be suited to the situation if it is not reformed. For this reason, the 13th CPC National Congress will make political structure reform an item on its agenda.

On the question of how to carry out political restructuring, the CPC's newspapers and magazines have disclosed something in recent days. First, they repeatedly pointed out that "China's political restructuring is a form of the self-improvement of the socialist system. [paragraph continues]

That is to say, the reform will not involve the fundamental system of socialism, and China will rely on its own strength to carry out the reform. It will not draw support from external forces, still less from "Westernization."

Second, the newspapers and magazines pointed out: The objective of China's political restructuring is to develop socialist democratic politics. This is a complicated social engineering project and a process of coordinated development with the development of economic restructuring and the building of spiritual civilization. For this reason, it cannot be completed at one go. We should take into account the practical subjective and objective conditions and the society's capacity to withstand strains. On no account should we raise too many, or shout excessively loud, slogans that can hardly be realized at present due to the lack of the necessary conditions.

The newspapers and magazines disclosed that the current reform of the political structure takes as its guiding ideology what Deng Xiaoping has expounded many times, namely, separating party work from government work, delegating power to the lower levels, streamlining organizations, and raising efficiency. Its basic objective is to reform the system of party and state leadership and its purpose is to instill vitality in the leading organs of the party and state, to ensure the elimination of bureaucratism in terms of the system, to raise the efficiency of office work, and to fully arouse the initiative and creativity of the grass-roots levels and the broad masses of the people.

Personnel Arrangements [subhead]

What draws people's attention most to the Beidaihe conference is still the question of personnel arrangements at the 13th CPC National Congress. At the beginning of this year, some people again raised the principle of the three-in-one combination of "the old, the middle-aged, and the young." This has caused misunderstanding by some people in the outside world who think that the CPC's policies have changed again. Recently, Deng Xiaoping and Zhao Ziyang repeatedly stressed that the leading body at the 13th CPC National Congress should be younger in average age so as to instill vitality to the party and state organs. This is also an important aspect of the reform of the political structure. On the occasion of the 66th anniversary of the founding of the CPC, Bo Yibo, vice chairman of the Central Advisory Commission, also said to XINHUA reporters that, in making personnel arrangements during the 13th CPC National Congress, the ranks of cadres should be younger in average age.

Although the outside world has conjectured about this or that on the personnel arrangements at the 13th CPC National Congress, people here believe that the new leading bodies of the party and state organs will not let down the people of the whole country. They will continue to lead the reforms of the economic and political structures in a deep-going way and stimulate the development of socialist productive forces so that the socialist system can further demonstrate its strong points and that the material and cultural life of the people throughout the country can markedly improve.

MIDDLE-AGED INTELLECTUALS DISCUSS PROBLEMS

OW151104 Beijing XINHUA in English 1054 GMT 15 Jul 87

[Text] Beijing, July 15 (XINHUA) -- China's middle-aged intellectuals still have poor working and living conditions despite improvements made in recent years.

A group of 13 participants attending a forum shared the view and urged the authorities to do a few concrete things for intellectuals each year.

The forum was called by the "GUANGMING DAILY", and the paper published a minute of it today. [sentence as received]

According to the participants, problems for middle-aged intellectuals range from low wages, heavy household chores to overcrowded living space.

"I think overwork is also a problem," said Xiao Peigen, director of the Institute for the Development of Medicinal Plants attached to the Chinese Academy of Medical Sciences.

"Take myself for example. I usually work at least 10 hours a day and I'm sure I am not the only one working in this way," he said.

According to Lu Xueyi, deputy director of the Sociology Institute of the Chinese Academy of Social Sciences, of the academy's 4,000 researchers, 1,931 live in overcrowded homes and some in basements.

The per-capita living space in Beijing averages 6.7 square meters, compared to six sq m in the Beijing University, said Wu Jilan, a professor of the university.

According to a survey of 37,000 middle-aged intellectuals by the State Science and Technology Commission, 61.6 percent of them suffer from chronic diseases, said Yu Ruomu, adviser to the Research Center of the Secretariat of the CCP Central Committee.

Yu Ruomu urged leaders at all levels to dialogue with middle-aged intellectuals from time to time and help them solve problems in good time.

"I hope the State Education Commission and the State Science and Technology Commission will issue a joint circular to specify measures on solving the problems of too heavy work and rotating days off," said Wu Jilan.

According to Song Zehou, an official of the State Science and Technology Commission, the state-owned institutions and enterprises throughout China employ 15.4 million scientists and technicians, 7.68 million of whom, or 49.87 percent, are aged between 36 and 55, and 20,932 of them are on leading positions.

"That's why helping solving problems for intellectuals, especially those for middle-aged ones, should become a national policy," he told the forum.

The party and government have given close attention to the implementation to the letter of policies on intellectuals and redressed wrong cases, he said, adding that this task has been completed in the main.

"In the future, we're going to concentrate on solving practical problems for intellectuals, including those for middle-aged ones," he said.

JINGJI RIBAO DISCUSSES POLITICAL REFORMS

HK100833 Hong Kong TA KUNG PAO in Chinese 10 Jul 87 p 1

[Special dispatch: "Beijing Paper Discusses Three Aspects of Political Reform"]

[Text] Beijing, 9 Jul -- JINGJI RIBAO publishes an article today expounding on the basic goals of the current political structural reforms. The article says that political structural reform is a complex item of social engineering and a process of sustained and gradual advance. The basic aim of the current political structural reform is mainly the reform of the party and state leadership system.

The article says that major tasks regarding political structural reform will be placed on the agenda of the 13th Party Congress. This is a major affair related to the overall situation in our reform undertakings.

The article points out that Deng Xiaoping has expounded many times on the basic contents and ideas regarding separation of party and government, delegation of powers, streamlining the administration, and improving efficiency in 1986 and since then. This constitutes the guiding idea for our political structural reform. The following aspects should become the main orientation for our endeavors in the coming period:

1. Reform the outdated and ossified leadership methods and concepts, change the personnel structure in the leadership organs, modernize the leadership organs and their methods, and thus invigorate the party and state leadership organs. To succeed in this, it is essential to reform the existing cadre and personnel system, and establish a complete set of systems including those for the selection, promotion, and appointment and dismissal of cadres, and for rewards, punishment, and supervision. To turn decisionmaking into a scientific and democratic affair, it is necessary to ensure in every way that our cadre contingent will continually enhance its ideological and professional qualities.

2. Reform the phenomena of overstaffed organs, delays in handling matters, superfluous personnel, buck-passing, and irresponsibility, and ensure by systematic means that bureaucratism is eliminated and organ work efficiency improved.

3. Do a good job in resolving relationships between the central authorities and the localities, between party and government, and between political and economic work departments and the enterprises, to ensure that each is doing the things and fulfilling the duties for which it is responsible. We should speed up the change of functions of the government departments, to ensure that they will meet the needs of developing commodity production, strengthen their role in providing macroeconomic guidance and serving the grass roots, and thus fully mobilize the initiative and creativity of the grass roots and the masses.

The article also says that building a high degree of socialist democracy is an important aim in carrying out political structural reform, but we must also realize that the building of socialist democracy is a process of history that will require the unremitting efforts of several generations. We must carry this out under leadership and in a measured way, and also synchronously carry out the building of the legal system. Democracy and a legal system are inseparable. [paragraph continues]

We must use the legal system to ensure the building of socialist democracy for historical reasons, in China we cannot nor should we adopt the so-called democratic forms of Western countries. We should base our efforts on reality in building a socialist democratic setup with Chinese characteristics, and continually promote the deepening of the political and economic structural reforms.

HU QIAOMU SPEAKS AT PHILOSOPHY FOUNDATION CEREMONY

OW151350 Beijing XINHUA in English 1341 GMT 15 Jul 87

[Text] Beijing, July 15 (XINHUA) -- Beijing has just set up the Jin Yuelin foundation to promote the study of modern philosophy and logic in China, today's OVERSEAS EDITION of the "PEOPLE'S DAILY" reported.

Jin Yuelin, or Chin Yueh-lin (1895-1984), was a well-known Chinese philosopher and logician. He worked in education and research in these two fields for over half a century, and was the first to introduce modern and mathematical logic to China.

According to the report, Jin founded his own philosophic system by combining Chinese and Western philosophy, trained many outstanding philosophers and logicians, and made great contributions to modern Chinese philosophy and logic.

The foundation is a mass organization, with its awards given to outstanding research in modern logic and philosophy; outstanding undergraduate and graduate students selecting these majors; and research projects in the two fields.

Hu Qiaomu, member of the Political Bureau of the Chinese Communist Party Central Committee, made a speech at yesterday's founding ceremony, chaired by Xing Benshi. Hu is also honorary consultant to the foundation, while John King Fairbank has been named consultant.

YU QIULI, OTHERS AT PLA PHOTO EXHIBIT OPENING

OW201405 Beijing XINHUA Domestic Service in Chinese 1125 GMT 20 Jul 87

[Text] Beijing, 20 Jul (XINHUA) -- To commemorate the 60th anniversary of the Army's founding, a PLA photo exhibition opened at the Chinese art gallery today.

A total of 326 photographs had been put on display vividly depicting the arduous but glorious course the People's Army traversed over the past six decades and majestically portraying its advance toward revolutionization, modernization, and regularization.

Visitors to the exhibition focused their attention on 25 photographs that had won the "Chinese PLA Photographic Art Award." Yu Qiuli and other leading comrades presented cups and certificates to recipients of the award which was issued for the first time to mark the 60th founding anniversary of the PLA.

At the opening ceremony today, the PLA General Political Department issued badges and certificates to veteran comrades who had devoted their time to military photography for over three decades. Defense Minister Zhang Aiping received a badge and certificate as an amateur photographer a few days ago.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, cut the ribbon for the exhibition, Li Desheng, Guo Linxiang, Zhou Keyu, Xu Xin, Han Huaizhi, and Zhao Nanqi attended the opening ceremony.

NEWLY APPOINTED LIGHT INDUSTRY MINISTER INTERVIEWED

HK200923 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0257 GMT 18 Jul 87

[By reporter Sun Yongliang (1327 3057 5328)]

[Text] Sitting behind a large desk and fiddling with a red pencil in his hand, the man's sharp eyes behind intellectual-style spectacles reflect a scholar's wisdom and a leader's firmness.

Zeng Xianlin, the 58-year-old newly appointed minister of light industry, has seldom shown his face in public since taking up the new post on 3 May.

He is investigating. He is thinking.

On the 34th day after taking up the post, the new minister made his first public appearance. At a telephone conference held by the Ministry of Light Industry on 8 June, Zeng Xianlin displayed a new tactic decided by him and the leading group he heads -- namely, to increase China's light industrial products in the international market.

"Treat exports as a breakthrough and invigorate light industry in an all-round way." This former vice minister of the State Science and Technology Commission and former vice minister of the State Planning Commission who is skilled in macroeconomic planning has decided to treat the slogan as a strategic policy to mobilize thousands upon thousands of people engaged in light industrial production.

"China needs foreign exchange." Zeng Xianlin knows very well what shortage of foreign exchange means to China, which is opening up to the outside world.

"China's light industrial products must compete with those of other countries in the international market," this minister said, "just as our athletes compete with those from other countries in international contests."

A slight move in one part may affect the situation as a whole. He believes that treating exports as a breakthrough is for the purpose of promoting scientific and technological progress, improving management, and upgrading product quality.

The new minister has made a policy decision to set up five groups -- policy, combination of industry and trade, science and technology, reform, and planning -- in the Ministry of Light Industry to study and formulate specific measures on expanding exports.

Zeng Xianlin and two vice ministers will respectively lead a team to three export bases -- Tianjin, Shanghai, and Guangzhou -- to discuss with local officials the possibility of expanding exports.

While promoting light industrial products, which are closely linked to people's daily lives, to the international market, the minister has not forgotten the domestic market with 1 billion Chinese people as consumers. When people are going hither and yon to buy famous-brand refrigerators, bicycles, and other commodities in short supply, how can Zeng Xianlin not worry with impatience?

He said: Expanding exports can also meet the needs of domestic markets, because if there is a "vacant position" in the domestic market because of expanding exports, more factories would fill it. Moreover, factories whose products are for export and factories whose products are for the domestic market would change the previous situation of never contacting each other and would establish various types of combinations, which would help upgrade product quality to a new level.

Zeng Xianlin attaches great importance to the leading role of science and technology. Shortly after assuming office, this minister, who studied in the Soviet Union in the 1950's, gave a special report as a scholar to some 30 department and bureau directors under his administration entitled "View the Reform of Science and Technology System in a Macrocoscopic Sense." He urged the whole trade to set store by scientific and technological forces.

What Zeng Xianlin now faces is not a light industry with developed science and technology. A series of problems are confronting him, such as obsolete workshops and equipment, serious shortages of qualified personnel, and deficiency of raw materials. He said: Treating science and technology as the leading role means that we must resolve these problems. He held that if the scientific and technological level of our light industrial production is not high, it would become empty talk that our products could enter the international market.

Zeng Xianlin advocates importing foreign science and technology, but opposes blindly importing them. He said that in the future, the import of production lines for refrigerators, washing machines, and beer should be under strict control.

According to Zeng Xianlin, a series of detailed and specific measures on expanding exports and upgrading the quality of light industrial products is now being formulated. This new minister has displayed his first tactic; people are awaiting his second and third tactics.

ARMY DAY CELEBRATIONS PLANNED FOR AROUND 1 AUG

OW201355 Beijing XINHUA Domestic Service in Chinese 1025 GMT 18 Jul 87

[By reporter Chen Xiangnan]

[Text] Beijing, 18 Jul (XINHUA) -- A series of activities will be held in Beijing and other areas throughout the country from mid-July to early August to solemnly mark the 60th founding anniversary of the Chinese PLA.

The Information and Propaganda Bureaus of the CPC Central Committee's Propaganda Department and the Propaganda and Organization Departments of the PLA's General Political Department held a joint press conference in Beijing today for press units in the capital to introduce the upcoming major activities.

Preparations for an all-Army meeting of representatives of heroic models have already been completed. It will be held in Beijing from 27 to 31 July. This will be the biggest gathering of heroes and models in the history of our Army. Central leading comrades will be at the meeting to extend greetings. The All-China Federation of Trade Unions, All-China Women's Federation, CYL Central Committee, and Beijing Municipality are actively preparing for the arrival of the representatives in Beijing.

The achievements in building the Chinese PLA in the new historical period will be displayed at the Military Museum. The exhibition will primarily reflect the Army's achievements, features, and style since the 3d Plenary Session of the 11th CPC Central Committee, particularly since Comrade Deng Xiaoping took charge of the Central Military Commission. The exhibition will be a summing up of the achievements made in national defense construction during the new era.

On the eve of 1 August, the CPC Central Committee, the State Council, and the Central Military Commission will hold a solemn meeting to mark the 60th founding anniversary of the Chinese PLA at the Great Hall of the People. The meeting will be attended by party and state leaders. On 31 July, the Ministry of Defense will hold a reception at the Great Hall of the People to celebrate the "1 August" Army Day.

During the festive period, the PLA General Political Department, the Propaganda Department of the CPC Central Committee, the Ministry of Civil Affairs, and the Beijing Municipal People's Government plan a joint Army-civilian soiree, a gala party for veteran Army cadres, and entertainment performances at the Great Hall of the People to celebrate the "1 August" Army Day.

In Nanchang, the cradle of the PLA, local party, government, and military leading organs as well as the masses will hold rallies and other activities to celebrate this auspicious day of the PLA. During this period, all other areas in the country will also hold centralized or scattered celebration activities to mark the occasion ceremoniously, joyfully, and colorfully, but frugally and simply, stressing practical results and creating an atmosphere of joint army-civilian celebration in high-spirited unity.

COMMENTATOR URGES SUPPORT OF CENTRAL BUDGET

HK200847 Beijing RENMIN RIBAO in Chinese 17 Jul 87 p 1

[Commentator's article: "All Quarters Should Show Concern and Support for Financial Affairs"]

[Text] The 1987 financial budget was not very well fulfilled during the first half of this year. During this period, revenues were 90.35 billion yuan, down 1.7 percent from the same period last year, and expenditures were 35 billion yuan, down 3.1 percent. Revenues came to 5.35 billion yuan more than expenditures. However, this is only a temporary phenomenon, for there will be a large amount of expenditure during the second half of the year. Therefore, it will be an arduous task for us to fulfill this year's financial plan.

Fundamentally speaking, to realize this year's state budget, it will be necessary to carry out the double increase and double economy campaign in depth and in a down-to-earth manner. Although we have achieved initial successes in this movement during the first half of the year, many problems still remain. [paragraph continues]

Industrial production has been increasing continuously, but due to fluctuations in the prices of certain raw materials and energy resources, increases in production costs, improper management in many enterprises, the poor quality of some products, and other reasons, the economic returns of many enterprises have not increased. During the first 5 months, the output value of state-owned industrial enterprises rose by 11.2 percent over the same period last year, but their profits only rose by 0.8 percent. At the same time, losses have also increased, which have affected the further increase of the state's revenue. Moreover, the serious problem of too little control over expenditures still exists. By the end of May, there were almost 6,000 new capital construction projects, and indiscriminate distribution of monetary awards and bonuses and extravagance and waste were still widespread. This shows that to ensure a fundamental improvement in the state's financial situation, it is necessary to further deepen the reform of the economic structure, because in the final analysis, the financial question has a lot to do with the current macroeconomic management system and the enterprise administration and operation system. At present, relations between the state, the enterprises, and the staff and workers on the question of distribution are still not being handled well. Influenced by the past practice of "everyone eating from the same big pot," the enterprises still cannot really become relatively independent commodity producers. They are usually responsible for their gains but not for their losses. Even if they owe the state money due to improper management, they still can escape disciplinary action or punishment by law. Therefore, they do not feel any real pressure and thus lack real motivation.

At the same time, we must realize that the pace of reform is inevitably restricted by the state's financial situation. At present, many large and medium enterprises are experimenting with various forms of the contract responsibility system in operation. This is an important step in deepening the reform of enterprises. If this experiment is successfully completed, the problem of combining responsibility, power, and profits will also be successfully solved and the enterprises will certainly have greater vitality. Although there are various forms of the contract responsibility system in operation, they have some things in common, that is, they all contract a fixed quota to ensure the profits turned over to the state, they retain more profits if they overfulfill the target, and they make up for the losses all by themselves. Generally speaking, the experiment with the contract system by large and medium enterprises have demanded that the central financial organs reduce taxes and let them retain more profits. This year, despite the difficult financial situation, the state has still made great efforts to further invigorate the enterprises and promote reform.. It has continued to raise the depreciation rate of the fixed assets of some enterprises, reduced the regulatory tax for some enterprises, and adopted the policy of reducing taxes and giving more profits to some trades and enterprises. However, there is also a limit to reducing taxes and giving more profits. If we go beyond this limit, the central financial situation will be unable to bear it. While promoting reform, all areas and departments should proceed from this reality and pay attention to tapping their internal potentials so that they can increase their economic returns by increasing output, improving quality, reducing cost, and cutting down expenses rather than merely demanding that the state reduce taxes and allow them to retain more profits.

While implementing the contract responsibility system in operation, all areas must carry out the reform at their own expense, in accordance with the current financial system and on the basis of substituting taxes for the delivery of profits. By saying "carry out reform at their own expense" we mean that when an enterprise makes profits, it should pay the tax set by law. [paragraph continues]

The benefits from overfulfilling the contract tasks are obtainable from local finance. It cannot obtain such benefits from the central authorities or by reducing the profit tax and regulatory tax that should be turned over to the state. In the final analysis, if the fulfillment of the state budget is affected by reducing taxes and allowing the enterprises to retain more profits, the further deepening of reform will also be affected.

To ensure the realization of this year's financial budget, it is also necessary to oppose bureaucratism. At present, the leaders of some localities and departments are still not as clear about the basic financial situation of the whole as they are about their own areas and they are doing their work blindly. For example, they have imported duplicate items without first making an in-depth and careful investigation and have blindly expanded the scope of investment in capital construction and nonproductive projects. They have turned a blind eye to violations of law and discipline such as the undermining of state revenue by illegal means, the indiscriminate distribution of monetary awards, bonuses in kind, and subsidies, and other kinds of serious extravagance and waste that have brought about great losses in the economic and political fields. The masses of people have many complaints about all these unhealthy practices. They should never be treated lightly. In a certain sense, opposing bureaucratism means collecting funds from it. We should have a sufficient understanding of this.

Whether or not the state's budget can be smoothly fulfilled in the second half of the year will affect the overall situation of the development of the national economy and the deepening of reform. All departments and areas must show concern for and give support to financial affairs. First, they must make further efforts to implement the measures of double increase and double economy; second, they must strictly control their expenditures and especially control the scope of investment in capital construction; and third, they must conscientiously solve the problem of losing income, curb unauthorized practices of reducing taxes and retaining profits, and stop tax evasion. Provided all quarters show concern for the still comparatively difficult financial situation of the state and adopt an overall point of view, they can contribute to the fulfillment of the 1987 state budget.

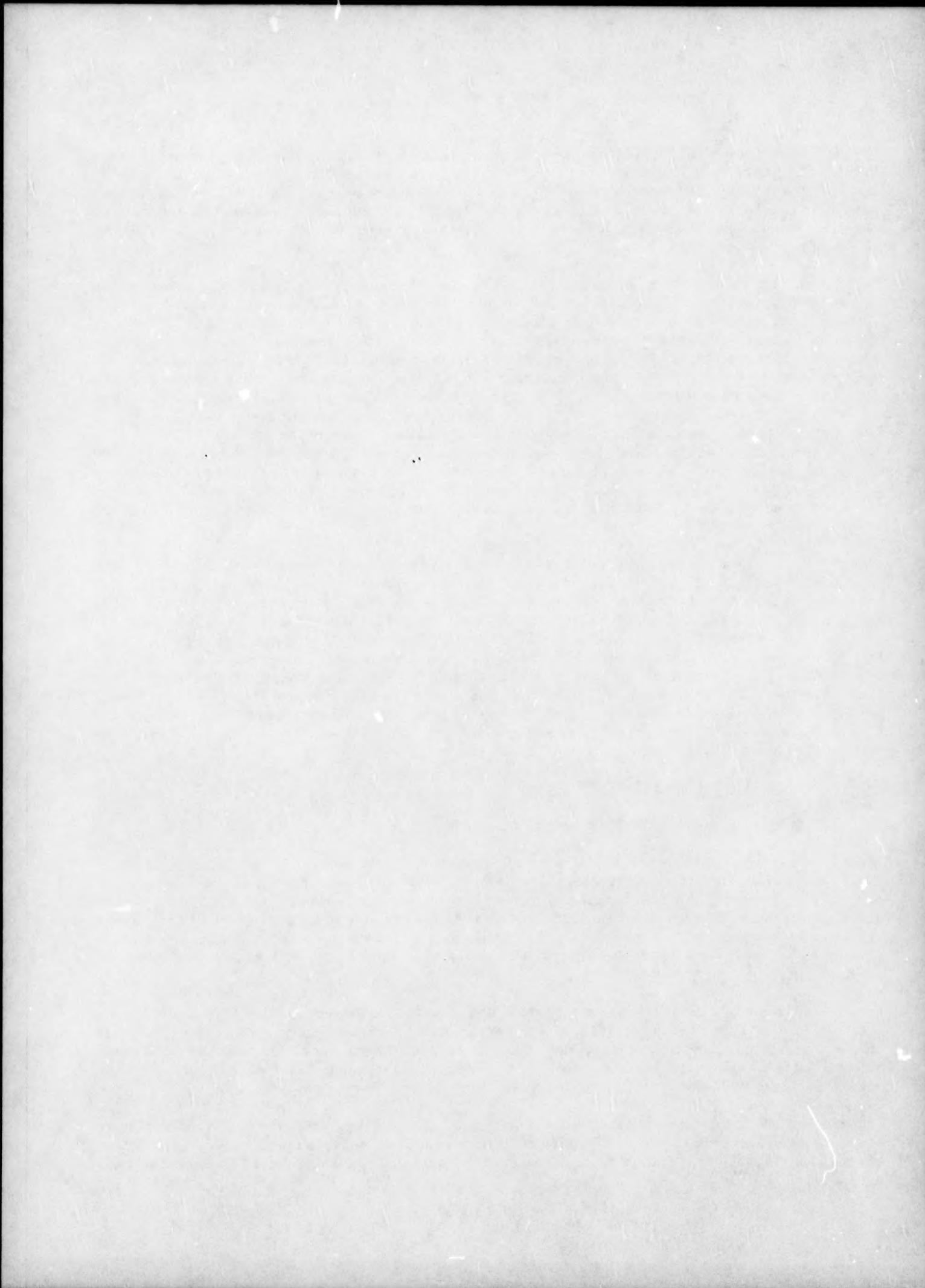
SUMMER CROP HARVEST DOWN FROM LAST YEAR

OW200605 Beijing XIHNUA in English 0547 GMT 20 Jul 87

[Text] Beijing (CEI) -- China's summer crop yield totaled 90.82 million tons this year, 2.4 million tons. [sentence as received] Though less than that of 1986, when the country reaped its best summer harvest, this year's harvest is still one of the three best summer harvests recorded in China's history, according to the State Statistics Bureau. The drop in yield was mainly due to natural adversities and shrinking acreage sown to summer crops which was down about 226,000 hectares from last year.

Summer crops mainly include wheat, barley and peas. Increases in the output of summer crops were reported in the provinces of Henan, Anhui, Hunan, Hubei, Guangdong, Yunnan and Fujian, But Shandong, Hebei, and Shanxi reported decreases. Output of rapeseed, one of China's major oil-bearing crops, hit six million tons this year, 270,000 tons more than that in 1986, itself a good year.

China's autumn crops are doing well and sown acreage for grain crops and cotton have been expanded, according to officials of the State Statistics Bureau. A good harvest of grain and cotton is expected this year if no serious natural adversities occur, they predicted.



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